



# Energy Industries Superannuation Scheme

## Supplementary Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (SPDS) to the respective Product Disclosure Statements (PDS) of the following Energy Industries Superannuation Schemes' offered by Energy Industries Superannuation Scheme Pty Limited (Trustee):

Accumulation Scheme PDS dated 1 August 2009,  
Retirement Scheme PDS dated 19 September 2008,  
Executive Scheme PDS dated 1 August 2009,  
Electrical Contractors Division PDS dated 1 August 2009, and  
Rollover and Account-Based Pension Plan PDS dated 1 July 2010

This SPDS is to be read together with the Product Disclosure Statement for your relevant Scheme.



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This SPDS is to be read together with the Product Disclosure Statement for your relevant Scheme.

This SPDS outlines important changes relating to information contained in the PDS and has been issued to advise all Energy Industries Superannuation Scheme members of the impending changes to the Scheme's investment strategies. This SPDS has been prepared without taking account of your objectives, financial situation or needs. You should, before acting on this SPDS, ensure that you have read this SPDS and your relevant PDS and consider its appropriateness having regard to your objectives, financial situation and needs.



# Introduction

## What is the purpose of this SPDS?

The purpose of this SPDS is to provide current and prospective members of the Schemes listed on the cover of this SPDS with information on changes to our investment strategies. Of course it cannot cover all your questions, and in particular cannot take your specific needs into account. If you need further information or help with your financial affairs, please call us on **1300 369 901** and we'll either answer your questions, or, if necessary, recommend that you speak to one of our advisors (at no direct cost to you).

### This SPDS deals with:

1. Changes to the asset allocation ranges, the objectives and risks of the following investment strategies – High Growth, Diversified, Balanced, Capital Guarded and Cash; and
2. A change to the name of the Trustee Selection investment strategy.

## 1. Changes to the asset allocation ranges the objectives and risks of the following investment strategies - High Growth, Diversified, Balanced, Capital Guarded and Cash.

These changes affect members of the Accumulation, Executive, Electrical Contractors, Retirement and Rollover and Account-Based Pension Schemes.

After careful analysis and input from its asset consultant, the trustee has made changes to the asset allocation ranges, the objectives and risk profile of each strategy. The trustee has made these changes so as to maintain a high level of diversification across each strategy and maximise the chances of achieving the Scheme's investment objectives whilst at the same time attempting to minimise any downside risk.

### The specifics of the changes are as follows:

#### **Asset allocation range (AAR) changes to the High Growth, Diversified, Balanced and Capital Guarded investment strategies.**

The trustee has refined the asset allocation bands of the various asset classes in which it invests, which has led to an increase in the asset allocation ranges for the Schemes' total exposure to growth assets and a decrease in the asset allocation ranges for the total exposure to defensive assets. These changes provide more flexibility to respond to investment market changes and maximise the chances of achieving the Scheme's investment objectives.

#### **Changes to the objectives of the High Growth, Diversified, Balanced, Capital Guarded and Cash investment strategies.**

The objectives of each strategy have been changed to reflect the movement in the asset allocation bands. Accordingly the timeframes over which the strategies are measured have been lengthened which will allow members to better consider the risk exposures of the strategies. Furthermore, the performance benchmark used to measure each strategy has changed from Cash to Consumer Price Index (CPI) because the trustee believes that CPI better describes the long-term objective to deliver a real return.

#### **Changes to the risks of the High Growth, Diversified, Balanced, and Capital Guarded investment strategies.**

Each of the above strategies carries a level of risk in terms of the expected chance of a negative return in any one year. The new asset allocations will result in a reduction of risk or volatility across each strategy and accordingly the timeframes for expected negative returns have been lengthened.

The tables on the following pages provide a comparison of the current investment strategies objectives, risk and asset allocations against the new.



# High Growth Strategy changes

## Current description

### High Growth

For high investment growth above the cash rate over the longer term.

#### Definition

The High Growth strategy generally invests a very high proportion of its funds in growth assets, such as Australian and international equities and property. This combination aims to earn high real investment growth above the cash rate over a 5 year period. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term.

#### Objective

3.5% net investment return per annum above the cash\* rate, measured over a rolling five year period.

#### Risks

There is a significant chance that the investment value may decrease in the short term. The chance of a negative nominal return in any year is 1 in 3.

#### Risk profile

High.

## New Description from 1 September 2010

### High Growth

**Provides diversified exposure to the asset classes with the highest expected return.**

#### Definition

The High Growth strategy generally invests a very high proportion of its funds in growth assets, such as Australian and international equities and property. This combination aims to earn high real investment growth of **CPI + 4.5% p.a. over 10 years**. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term.

#### Objective

**CPI + 4.5% p.a. over 10 years.**

#### Risks

There is a significant chance that the investment value may decrease in the short term. The chance of a negative return in any one year is 1 in 4.

#### Risk profile

High.

	Asset Classes	Existing AAR	Asset Classes	Allowable New AAR
Growth Assets	Australian Equities	25%-45%	Australian Equities	<b>60% - 95% total for all</b>
	International Equities	25%-45%	International Equities	
	Listed Property	0%-15%	Listed Property	
	Unlisted Property	0%-15% <i>for the total of both listed and unlisted property.</i>	Unlisted Property	<b>0%-6%</b>
	Private Equity	0%-30%	Private Equity	<b>0% - 15%</b>
	Semi Liquid Assets	0%-15%	Semi Liquid Assets	<b>0% - 20% total for both</b>
	Absolute Return	0%-30%	Absolute Return	
<b>Total Growth Assets</b>		<b>85%-95%</b>	<b>Total Growth Assets</b> <b>90% - 100%</b>	
Defensive Assets	Fixed Interest	0%-15%	Fixed Interest	<b>0% - 10%</b>
	Semi Liquid assets	0%-15%		
	Absolute Return	0%-15%	Cash	<b>0%-10%</b>
	Cash	N/A		
<b>Total Defensive Assets</b>		<b>5%-15%</b>	<b>Total Defensive Assets</b> <b>0% - 10%</b>	

\*UBS bank bill index



# Diversified Strategy changes

## Current description

### Diversified

For real investment growth above the cash rate over the medium to long term.

#### Definition

The Diversified strategy generally invests a high proportion of its funds in growth assets, such as Australian and international equities and property. The balance is invested in income-producing assets. This combination aims to earn real investment growth above the cash rate over a five year period. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term. This volatility is not as great as it is in the High Growth strategy.

#### Objective

2.5% net investment return p.a. above the cash\* rate, measured over rolling five year periods.

#### Risks

There is potential for the value of the investment to decrease in the short term. The chance of a negative return in any year is 1 in 4.

#### Risk profile

High/Medium.

## New Description from 1 September 2010

### Diversified

Provide diversified exposure to a range of asset classes.

#### Definition

The Diversified strategy generally invests a high proportion of its funds in growth assets, such as Australian and international equities and property. The balance is invested in income-producing assets. This combination aims to earn real investment growth of **CPI + 3.5% p.a. over 7 years**. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term. This volatility is not as great as it is in the High Growth strategy.

#### Objective

**CPI + 3.5% p.a. over 7 years.**

#### Risks

There is potential for the value of the investment to decrease in the short term. The chance of a negative return in any year is 1 in 6.

#### Risk profile

High/Medium.

	Asset Classes	Existing AAR	Asset Classes	New AAR
Growth Assets	Australian Equities	15%-30%	Australian Equities	<b>45% - 75% total for all</b>
	International Equities	15%-30%	International Equities	
	Listed Property	0%-10%	Listed Property	
	Unlisted Property	0%-10% <i>for the total of both listed and unlisted property.</i>	Unlisted Property	<b>0%-6%</b>
	Private Equity	0%-30%	Private Equity	<b>0% - 10%</b>
	Semi Liquid Assets	0%-30%	Semi Liquid Assets	<b>0% - 20% total for both</b>
	Absolute Return	0%-35%	Absolute Return	
<b>Total Growth Assets</b>		<b>65%-75%</b>	<b>Total Growth Assets</b>	<b>70% - 80%</b>
Defensive Assets	Fixed Interest	0%-35%	Fixed Interest	<b>10% - 30%</b>
	Semi Liquid assets	0%-30%	Semi Liquid Assets	<b>0% - 10% total for both</b>
	Absolute Return	0%-35%	Absolute Return	
	Cash	N/A	Cash	<b>0% - 15%</b>
<b>Total Defensive Assets</b>		<b>25%-35%</b>	<b>Total Defensive Assets</b>	<b>20% - 30%</b>

\*UBS bank bill index



# Balanced Strategy changes

## Current description

### Balanced

For real investment growth above the cash rate over the medium term.

#### Definition

The Balanced strategy generally invests a proportion of its funds in growth assets such as Australian and international equities, property, and private equity and the balance in income-producing assets, such as interest-bearing securities. This combination offers real investment growth above the cash rate over a three year period. There are more assets that produce income, which makes the strategy more stable than the High Growth and Diversified strategies.

#### Objective

1.5% net investment return per annum above the cash\* rate, over rolling three year periods.

#### Risks

There is a possibility that the value of the investment will decrease in the short term. The chance of a negative return in any year is 1 in 5.

#### Risk profile

Medium.

## New Description from 1 September 2010

### Balanced

Provide diversified exposure to a range of asset classes.

#### Definition

The Balanced strategy generally invests a proportion of its funds in growth assets such as Australian and international equities and property, and private equity and the balance in income-producing assets, such as interest-bearing securities. This combination aims to earn real investment growth of **CPI + 3% p.a. over 5 years**. There are more assets that produce income, which makes the strategy more stable than the High Growth and Diversified strategies.

#### Objective

**CPI + 3% p.a. over 5 years.**

#### Risks

There is a possibility that the value of the investment will decrease in the short term. The chance of a negative return in any year is 1 in 8.

#### Risk profile

Medium.

	Asset Classes	Existing AAR	Asset Classes	New AAR
Growth Assets	Australian Equities	10%-25%	Australian Equities	<b>30% - 60% total for all</b>
	International Equities	10%-25%	International Equities	
	Listed Property	0%-10% <i>for the total of both listed and unlisted property.</i>	Listed Property	
	Unlisted Property		Unlisted Property	<b>0% - 6%</b>
	Private Equity	0%-30%	Private Equity	<b>0% - 5%</b>
	Semi Liquid Assets	0%-30%	Semi Liquid Assets	<b>0% - 20% total for both</b>
	Absolute Return	0%-35%	Absolute Return	
<b>Total Growth Assets</b>		<b>45%-55%</b>	<b>Total Growth Assets</b>	<b>55% - 65%</b>
Defensive Assets	Fixed Interest	10%-55%	Fixed Interest	<b>15% - 45%</b>
	Semi Liquid assets	0%-30%	Semi Liquid Assets	<b>0% - 10% total for both</b>
	Absolute Return	0%-45%	Absolute Return	
	Cash	N/A	Cash	<b>0% - 15%</b>
<b>Total Defensive Assets</b>		<b>45%-55%</b>	<b>Total Defensive Assets</b>	<b>35% - 45%</b>

\*UBS bank bill index



# Capital Guarded Strategy changes

## Current description

### Capital Guarded

For shorter term investing with good security and some potential for growth.

#### Definition

The Capital Guarded strategy generally invests a small proportion in growth assets and the balance in income-producing assets such as interest-bearing securities. This combination aims to keep investment return fluctuations to a minimum. Although it is relatively more stable than the High Growth, Diversified and Balanced strategies, the returns and the value of the investment can still fluctuate.

#### Objective

1% net investment return per annum above the cash\* rate, measured over rolling three year periods.

#### Risks

Although the emphasis is more on security, returns and the value of the investment can still fluctuate. The chance of a negative return in any year is 1 in 8.

#### Risk profile

Medium/Low.

## New Description from 1 September 2010

### Capital Guarded

**Provide diversified exposure to a range of asset classes.**

#### Definition

The Capital Guarded strategy generally invests a small proportion in growth assets and the balance in income-producing assets such as interest-bearing securities. This combination aims to keep investment return fluctuations to a minimum and achieve growth of **CPI + 2.5% p.a. over 3 years**. Although it is relatively more stable than the High Growth, Diversified and Balanced strategies, the returns and the value of the investment can still fluctuate

#### Objective

**CPI + 2.5% p.a. over 3 years.**

#### Risks

Although the emphasis is more on security, returns and the value of the investment can still fluctuate. The chance of a negative return in any year is 1 in 15.

#### Risk profile

Medium/Low.

	Asset Classes	Existing AAR	Asset Classes	New AAR
Growth Assets	Australian Equities	0%-15%	Australian Equities	<b>0% - 40% total for all</b>
	International Equities	0%-15%	International Equities	
	Listed Property	0%-10% <i>for the total of both listed and unlisted property.</i>	Listed Property	
	Unlisted Property		Unlisted Property	<b>0% - 6%</b>
	Private Equity	0%-30%	Semi Liquid Assets	<b>0% - 20% total for both</b>
	Semi Liquid Assets	0%-30%	Absolute Return	
	Absolute Return	0%-35%		
<b>Total Growth Assets</b>		<b>25%-35%</b>	<b>Total Growth Assets</b>	<b>35% - 45%</b>
Defensive Assets	Fixed Interest	25%-75%	Fixed Interest	<b>25% - 65%</b>
	Semi Liquid assets	0%-30%	Semi Liquid Assets	<b>0% - 15% total for both</b>
	Absolute Return	0%-50%	Absolute Return	
	Cash	N/A	Cash	<b>0% - 20%</b>
<b>Total Defensive Assets</b>		<b>65%-75%</b>	<b>Total Defensive Assets</b>	<b>55% - 65%</b>

\*UBS bank bill index



# Cash Strategy changes

## Current description

### Cash

For investors who want exposure to investments in money market securities with a very low risk of capital loss.

#### Definition

The Cash strategy invests predominantly in short term Australian money market assets. In addition, a small proportion of the assets (up to 15%) are invested in global interest type assets having a longer maximum term. This gives this strategy greater exposure to higher returns than by just investing in short-term domestic assets, with only a small increase in the overall volatility of the returns. This strategy offers investments for short-term investors or those seeking less volatile returns.

#### Objective

0.25% net investment return per annum above the cash\* rate, measured over a rolling three year period.

#### Risks

Depending on market volatility, there is a chance that this investment may experience a negative return, but this is expected to only be for periods of no more than a month. Over longer timeframes, the chance of a negative return would be remote.

#### Risk profile

Low

#### Assets

100% Cash and income-producing assets.

## New Description from 1 September 2010

### Cash

Provide exposure to cash.

#### Definition

The Cash strategy invests predominantly in short-term Australian money market assets. This strategy is suited to investors targeting above RBA cash rate returns with negligible risk of capital loss.

#### Objective

Equal to the 90 day Bank Bill Index (after tax).

#### Risks

Negligible risk of capital loss in any given year.

#### Risk profile

Low.

#### Assets

100% Cash and income-producing assets.



# Growth Strategy

## 2. A change to the name of the Trustee Selection investment strategy.

This change only applies to members of the Retirement Scheme.

The Directors of the Trustee of Energy Industries Superannuation Scheme recently approved that by 1 November 2010, the investment strategy in which member contributions are invested, "Trustee Selection" will be called "Growth".

**Note that this is a change to the name of the strategy only and there is no change to the underlying investment approach.**

The trustee believes that the name "Growth" best reflects the risk profile and objectives of the strategy given that the major proportion of assets (approximately 70%) are invested in growth type assets such as Australian and international equities. Please see our website at [www.eisuper.com.au](http://www.eisuper.com.au) where you can find out the most up-to-date asset allocation of the Growth strategy.

Retirement Scheme members have the right to decide the way that their member contributions are invested. You should from time to time review your individual financial objectives to determine whether the Growth strategy adequately meets those objectives. If you would like to consider changing your current investment strategy then you should read the Retirement Scheme Product Disclosure Statement along with this SPDS and contact Member Services on **1300 369 901**.

For your information the following table shows the most up-to-date investment profile of the Growth strategy.

## Growth Strategy

For real investment growth above the inflation rate over the medium to long term.

### Definition

The Growth strategy generally invests a high proportion of its funds in growth assets, such as Australian and international equities and property. The balance is invested in income-producing assets. This combination aims to earn real investment growth above the inflation rate over a five year period. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term.

### Objective

To target a real rate of return after tax of 5% p.a. over a five year period.

### Risks

There is a significant chance that the investment value may decrease in the short term. The chance of a negative return in any year is 1 in 4.

### Risk profile

High/Medium.

	Asset Classes	Existing AAR
Growth Assets	Australian Equities	15%-40%
	International Equities	15%-40%
	Unlisted Property	0%-20%
	Private Equity	0%-30%
	Semi Liquid Assets	0%-20%
	Absolute Return	0%-30%
<b>Total Growth Assets</b>		<b>70%-85%</b>
Defensive Assets	Fixed Interest	0%-25%
	Semi Liquid assets	0%-20%
	Absolute Return	0%-25%
<b>Total Defensive Assets</b>		<b>15%-30%</b>

\*UBS bank bill index



# Important information

## When will the changes take place?

Because the changes require us to move holdings in some asset classes, it will take some time to complete the transition. We will start to implement the changes from 1 September 2010. On an ongoing basis you will be able to see the change in your Scheme's existing and target allocations by going to our website

**www.eisuper.com.au** clicking on 'Performance' and selecting the relevant investment strategy. The website will provide you with information on the current allocation at a point in time and how we are tracking towards the target allocation. Note that as mentioned earlier, the change in name of the Retirement Scheme Trustee Selection strategy to Growth will happen by 1 November.

## How will I know what the asset allocations are at any given time?

Our website will be regularly updated to show you the actual asset allocation invested in each sector from time to time. The Annual Report also provides the actual asset allocation of your investment strategy as at 30 June and lists the investment managers appointed to manage your assets as at 30 June each year.

## How will I know which managers are managing my assets?

We may change investment managers, where we believe that this will improve your investment returns or investment risk. We will regularly list the current investment managers on the website, or alternatively call us and we will provide you details of the current investment managers we are using at the time of your call.

## What do I do if I want to change my investment strategy?

If after reading and considering all the information contained in this SPDS and your Scheme PDS you would like to change your investment strategy, then you should either go to our website at **www.eisuper.com.au**, or call Member Services for a 'Changing Investment Strategy' form.



# Asset description

## What sort of assets does the Trustee invest in?

The following table outlines the main asset classes that the trustee invests in and what types of assets are included under those main asset classes.

Asset Class	Asset types
Absolute Return	A broad exposure to strategies which produce an absolute return rather than a return relative to market benchmark. (For example absolute returns are measured with reference to returns generated by cash rather than the sharemarket). These strategies may include investments in hedge funds and structured product offerings.
Australian Equities	A diversified range of equities listed on the Australian Stock Exchange.
Cash	A diverse range of short-term money market securities with relatively low risk and high credit quality.
Fixed Interest Securities	A broad range of income-producing securities that are representative of bond and cash markets. Generally these are debt instruments and may include sovereign, investment grade (i.e. S&P rating of BBB- or above or equivalent), corporate, mortgage and asset backed securities, high yield and emerging market assets. These assets can represent investments in nominal and/or inflation linked securities and can be sourced both domestically and internationally. Money market securities and cash instruments which may have differing levels of credit exposure can also be invested in during different times of the economic cycle.
International Equities	A diversified range of equities listed on world share markets, including some investments in emerging markets.
Listed Property	A diversified range of property investments listed on share markets that can be sourced both domestically and internationally.
Private Equity	Non-listed alternative assets which may include exposure to buyout, venture capital and expansion capital funds, opportunistic property, special situation funds including distressed debt, resource and energy funds and alternative debt offerings.
Semi Liquid Assets	Both listed and unlisted assets that may include exposure to specialist managers such as micro cap, emerging market and individual hedge fund managers, listed private equity and infrastructure funds.
Unlisted Property	Investments in unlisted property vehicles or trusts that can be sourced both domestically and internationally.





# Enquiries

## Who do I contact for enquiries, help and advice?

If you have any issues regarding the information contained in this SPDS, then please contact:

### Member Services

Ground Floor  
28 Margaret Street  
Sydney

Phone: 1300 369 901

Fax: (02) 9279 4131

Telephone enquiries and personal interviews (by appointment only) can be made between 8.30am and 5.00pm on any business day.

### Written enquiries should be sent to:

PO Box N835  
Grosvenor place  
NSW 1220

You can also contact the Scheme by going to our website  
[www.eisuper.com.au](http://www.eisuper.com.au)

